## ABSTRACT OF THE DISCLOSURE

There are disclosed an image processing method and apparatus for generating a panoramic image in which the hue or brightness discontinuities generated at the seams of source images are reduced. According to the image processing method of this invention, upon compositing source images (221, 222) having an overlap portion, the hue or brightness of each source image is converted (H211, H221) using a reference image which has overlap portions with both the source images to be composited, and the converted images (241, 242) are composited, thereby reducing the hue or brightness discontinuities generated at the seam of images.